

Servicemembers' and Veterans' Group Life Insurance Handbook

Supervised by the Secretary of Veterans Affairs

Veterans Benefits Administration
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CHAPTER 1. GENERAL PROVISIONS

1.01 GENERAL INFORMATION

- a. Servicemembers' Group Life Insurance (SGLI) is the life insurance currently available to all members of the uniformed services. SGLI is a group life insurance policy purchased by VA from a commercial life insurance company.
- b. The Office of Servicemembers' Group Life Insurance (OSGLI) administers the SGLI program. The address is:

Office of Servicemembers' Group Life Insurance (OSGLI)
213 Washington Street
Newark, NJ 07102-2999

Toll free Phone 1-800-419-1473

- c. The insurance issued under the group policy is term insurance. SGLI does not pay dividends. In addition, there are no loan, cash, paid-up or extended insurance values, or any provision for waiver of premiums or benefit because of total disability, accidents, etc., except as described in paragraph 1.06.
- d. Members on active duty, active duty for training or inactive duty for training and members of the Ready Reserve are automatically covered for \$200,000, the maximum amount of coverage.
- e. Each member should complete a copy of form SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate (see appendix A) to designate one or more beneficiaries to receive payment of the insurance proceeds. A copy of this form also serves as a certificate of coverage. Members who elect to be insured for less than the maximum amount, or elect to decline coverage entirely, must also complete form SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate.
- g. Coverage under the group life insurance policy does not affect an insured's right to retain any other government or private insurance, or his or her entitlement to other veterans' benefits. For example, a member can be insured for up to \$30,000 in Service-Disabled Veterans Insurance (S-DVI) coverage and have \$200,000 of SGLI coverage at the same time.

1.02 DEFINITIONS

- a. Member:

(1) A person on active duty, active duty for training, or inactive duty training in the uniformed services in a commissioned, warrant, or enlisted rank or grade, or as a cadet or midshipman at the United States Military Academy, United States Air Force Academy or the United States Coast Guard Academy;

(2) A person who volunteers for assignment to the Ready Reserve of a uniformed service and is assigned to a unit or position in which he or she may be required to perform active duty or active duty for training and each year will be scheduled to perform at least 12 periods of

inactive duty training that is creditable for retirement purposes under title 10, United States Code, chapter 67;

(3) A member, cadet, or midshipman of the Reserve Officers' Training Corps (ROTC) while attending field training or practice cruises.

b. Active Duty:

(1) Full-time duty in the Armed Forces, other than active duty for training;

(2) Full-time duty (other than for training purposes) as a commissioned officer of the Regular or Reserve Corps of the Public Health Service (PHS);

(3) Full-time duty as commissioned officer of the National Oceanic and Atmospheric Administration (NOAA); and

(4) Full-time duty as a cadet or midshipman at the United States Military Academy, United States Naval Academy, United States Air Force Academy, or the United States Coast Guard Academy.

c. Armed Forces: the United States Army, Navy, Air Force, Marine Corps, Coast Guard and the Reserves thereof.

d. Active duty for training:

(1) Full-time duty in the Armed Forces performed by Reserves for training purposes;

(2) Full-time duty for training purposes as a commissioned officer of the Reserve Corps of the PHS;

(3) Full-time duty as a member, cadet or midshipman of the ROTC while attending field training or practice cruises; or

(4) Full-time duty under 32 U.S.C. 316, 502, 503, 504, or 505 as a member of the Army National Guard or Air National Guard of any State.

e. Inactive duty training:

(1) Duty (other than full-time duty) authorized for Reserves (including commissioned officers of the Reserve Corps of the PHS) which is scheduled in advance by competent authority to begin at a specific time and place; or

(2) Duty in the case of members of the Army National Guard or Air National Guard of any State, means duty (other than full-time duty) which is scheduled in advance by competent authority to begin at a specific time and place under 32 U.S.C. 316, 502, 503, 504, or 505.

f. "Active duty for training" and "inactive duty training" do not include:

(1) Duty performed as a temporary member of the Coast Guard Reserve;

(2) Work or study performed in connection with correspondence courses; or

(3) Attendance at an educational institution in an inactive status.

g. Uniformed services:

(1) Army, Navy, Air Force, Marine Corps, and Coast Guard;

(2) Corresponding Reserve and the ROTC of each of the above;

(3) Army National Guard and Air National Guard;

(4) Commissioned Corps of the PHS and its Reserve Corps; and

(5) Commissioned Corps of the NOAA.

h. Termination of duty:

(1) Discharge, release or separation from active duty or active duty for training being performed under a call or order that does not specify a period of less than 31 days; or

(2) In the case of other duty, the member's release from his or her obligation to perform any duty in his or her uniformed service (active duty, active duty for training or inactive duty training) whether arising from limitations included in a contract of enlistment or similar form of obligation, or arising from resignation, retirement or other voluntary or involuntary action that terminates the obligation to perform.

i. Break in service:

(1) When a member terminates duty or obligation to perform duty in one service and enters on duty, or assumes the obligation to perform duty, in another uniformed service, regardless of the length of time intervening; or

(2) When a member re-enters on duty, or resumes an obligation to perform duty as a Reservist, in the same uniformed service and one calendar day or more has elapsed following termination of the prior period of duty or obligation to perform duty.

j. Waiver: means an election in writing, signed by a member and received by the uniformed service, not to be insured for SGLI.

1.03 PERSONS ELIGIBLE TO BE INSURED

a. Full-time coverage is provided for the following members of the uniformed services while performing full-time active duty or active duty for training, under calls or orders that do not specify periods of less than 31 days:

(1) Commissioned, warrant and enlisted members of the Army, Navy, Air Force, Marine Corps and Coast Guard and commissioned members of the NOAA and PHS;

(2) Members of the Ready Reserve of a uniformed service who are assigned to a unit or position in which they may be required to perform active duty or active duty for training and each year will be scheduled to perform at least 12 periods of inactive duty training that is creditable for retirement purposes under title 10, United States Code.

(3) Cadets or midshipmen of the United States Military Academy, United States Naval Academy, United States Air Force Academy and the United States Coast Guard Academy; and

(4) Members, cadets or midshipmen of the ROTC while attending field training or practice cruises.

b. Part-time coverage is provided to the following eligible members of the Reserves who do not qualify for full-time coverage while performing active duty or active duty for training under calls or orders specifying periods of less than 31 days:

(1) Commissioned, warrant and enlisted members of the Army, Navy, Air Force, Marine Corps and Coast Guard Reserves (except temporary members of the Coast Guard Reserve);

(2) Members of the Individual Ready Reserve (IRR) during one-day call-ups;

(3) Reserve Corps of the PHS;

(4) The Army National Guard and Air National Guard while performing duty under 32 U.S.C. 316, 502, 503, 504, or 505; and (5) Members, cadets and midshipmen of the ROTC, while attending field training or practice cruises.

1.04 EFFECTIVE DATE OF INSURANCE

a. The effective date of coverage for members on active duty, active duty for training, or inactive duty training is:

(1) The first day of active duty or active duty for training; or

(2) The beginning of a period of inactive duty training.

b. For members who previously declined coverage or elected to be insured for less than the maximum amount, the effective date of coverage is the date an application electing coverage or an increase in coverage is received by the member's branch of service. If it is necessary for such application to be forwarded to the OSGI for review, the effective date of coverage will be the date the application is approved.

1.05 PERIODS OF COVERAGE

a. Full-time Coverage

(1) For members performing active duty or active duty for training under a call or order that does not specify a period of less than 31 days, coverage is in effect during the period of such duty and for 120 days following separation or release.

(2) For members of the Ready Reserves who are eligible for full-time coverage under the law, coverage is in effect during the period of such duty or status and for 120 days following separation or release from such duty.

(3) For members who are totally disabled at separation or release, coverage is extended for a limited time beyond the 120 days. (See paragraph 1.06.)

b. Part-time Coverage

(1) Active Periods. Eligible members of the Reserves performing active duty or active duty for training, under calls or orders specifying periods less than 31 days, are insured during the actual days of such duty. Hereafter, these are referred to as Reservist active periods.

(2) Inactive Periods. Eligible members of the Reserves, performing inactive duty training (brief periods of less than a day of drills, etc.) scheduled in advance by competent authority to begin at a specific time and place, are insured during the actual time of such inactive duty training period.

(3) In Route. Members are also covered while proceeding directly to and returning directly from the Reservist active or inactive period of duty.

(4) Members eligible for part-time coverage become eligible for full-time coverage when they perform active duty or active duty for training, under calls or orders that do not specify periods of less than 31 days.

1.06 EXTENSION OF COVERAGE BASED ON DISABILITY

a. Full-time Coverage. If a member who has full-time SGLI coverage, is totally disabled at the time of separation or release from active duty or the Ready Reserves, SGLI coverage will continue for as long as the member remains totally disabled, up to a maximum of one year from the date of release or separation, but in no event less than 120 days from the date of separation or release. A member who is totally disabled at time of separation or release may be eligible for Veterans' Group Life Insurance (VGLI). It is important that the member submit an application for VGLI to the OSGLI within the 1-year period that SGLI remains in effect.

b. Part-time Coverage. If a member, who has part-time SGLI coverage, incurs a disability or aggravates an existing disability while SGLI coverage is in force, the following will apply:

(1) The insurance is payable if death results from such incurred or aggravated disability within 120 days following the Reservist active or inactive period during which the disability was incurred or aggravated.

(2) If such disability causes the member to be uninsurable at standard rates, the insurance continues for 120 days following the Reservist active or inactive period during which the disability was incurred or aggravated and the member is eligible to convert to VGLI coverage

prior to the 121st day. Application must be made to the OSGLI during this 120 day period. (See paragraph 1.01b for address.)

(3) In determining whether an individual was authorized to perform duty and whether the member was rendered uninsurable or died within 120 days thereafter from a disability incurred or aggravated the following will be taken into account:

(a) The call or order to duty, the order and authorizations of competent authority;

(b) The hour on which the member began to proceed to or return from such duty;

(c) The hour on which the member was scheduled to arrive for, or on which he or she ceased to perform such duty;

(d) The method of travel employed;

(e) The member's itinerary;

(f) The manner in which travel was performed; and

(g) The immediate cause of disability or death.

1.07 COST OF INSURANCE

a. The cost of SGLI is shared by the member and the Government. The member pays the normal cost of the insurance (the premium) and the Government pays the cost of all death claims in excess of the level of death claims which would result from normal peacetime service in the uniformed services.

b. For all members entitled to SGLI coverage, the necessary amount will be deducted from the member's service pay or otherwise collected from the member by the uniformed service.

c. The monthly contribution by members on active duty and members of the Ready Reserve is \$16.00 for \$200,000 coverage and 80 cents per \$10,000 for lesser amounts. The premium for part-time SGLI coverage is \$20.00 per year for \$200,000 insurance. Members of the IRR are charged a premium of \$1.00 for \$200,000 insurance for 1-day call-ups. All rates are subject to change based on the experience of the program.

d. Department of Defense (DoD) Directive 1341.3, "Servicemens' Group Life Insurance," dated August 16, 1984 requires the uniformed services to remit amounts equal to the deduction which should have been made for members who are provided full-time or part-time coverage and who are not receiving pay.

e. No withholdings or deductions will be made for SGLI from terminal leave or separation pay for any period the insurance remains in force following separation or release from active duty.

1.08 CONTINUITY OF ELECTIONS AND DESIGNATIONS

The rules in this section apply whenever a member performs any of the following actions: · Elects not to be insured; · Elects to be insured for a reduced amount (less than \$200,000); · Designates a beneficiary; or · Elects a mode of settlement to the beneficiary.

a. Full-time Coverage

(1) Elections and designations for members insured under full-time coverage are effective only during the period of duty in which a member is serving and for 120 days thereafter. (If a member is totally disabled, this period is extended to one year following separation or release.)

(2) If a member converts his or her SGLI coverage to VGLI and does not redesignate a beneficiary for VGLI, the beneficiary election for SGLI will remain in effect for not more than 60 days following the effective date of VGLI. After this 60-day period, the designation will automatically become a "By Law" designation. (See chapter 10, paragraph 10.08b.)

(3) A member may change his or her beneficiary designation and/or mode of settlement during the 120-day period following termination of duty and such election will replace any prior election and will continue for the remainder of the 120-day period. Designations or elections made during this period should be sent to the OSGLI. (See paragraph 1.01b for address.)

(4) The beneficiary designation and election of mode of payment continue to apply for any member who resumes the obligation to perform duty or re-enters on duty in the same uniformed service on the day following termination of a period of obligation to perform duty.

(5) Any existing election of mode of settlement and designation of beneficiary is automatically canceled and a new election or designation must be submitted if desired when:

(a) A member resumes an obligation to perform duty or re-enters on duty in the same uniformed service and one calendar day or more has elapsed following termination of a previous obligation or duty; or

(b) A member assumes an obligation to perform duty or re-enters on duty in a different uniformed service at any time.

(6) An election to be insured for a reduced amount or an election not to be insured does not apply to a new period of coverage. Unless a new election to be insured for a reduced amount or an election not to be insured is filed with the member's uniformed service, a new period of coverage begins in the amount of \$200,000 and any prior election not to be insured or to be insured for a reduced amount is canceled.

b. Part-time Coverage

(1) Elections and designations for members who qualify for part-time coverage continue in effect during the periods of continuous obligation to perform duty in the same uniformed service including periods of duty or active duty for training which entitle the member to full-time coverage.

(2) Any election or designation for members who qualify for full-time service continues to be effective for the coverage period following separation (generally 120 days) or release from such duty, and continues for part-time coverage thereafter if the member immediately resumes the obligation to perform duty.

(3) If part-time coverage is extended by reason of incurred or aggravated disability for 120 days following a period of active duty, an election or designation is also effective throughout that extended period.

1.09 INFORMATION TO BE PROVIDED TO MEMBERS

a. Under the provisions of the Veterans Benefits Improvements Act of 1996 (Public Law 104-275), the uniformed services are required to furnish members general information regarding life insurance whenever a member has the opportunity to make an election not to be insured or to be insured in an amount less than the maximum amount of \$200,000, and at other times periodically. This information should include: the purpose and role of life insurance in financial planning; the difference between term life insurance and whole life insurance; the availability of commercial life insurance; and the relationship between SGLI and VGLI.

b. Uniformed services personnel shall inform new members about the automatic features of SGLI, such as the immediate insurance protection of \$200,000 coverage, the cost of insurance and how premiums will be paid. (See paragraph 1.07.) The Uniformed Services shall also inform new members that the privilege of continuing group insurance coverage as VGLI and converting to an individual policy is valuable, particularly in cases where the member may not be able, for health reasons, to buy insurance after discharge or separation.

1.10 FORFEITURE OF GROUP INSURANCE

The insurance is forfeited when an insured member is guilty of mutiny, treason, spying, or desertion, or refuses, because of conscientious objections, to perform service in the Armed Forces of the United States, or refuses to wear the uniform of such force. No insurance shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense except when inflicted by an enemy of the United States.

1.11 ASSIGNMENT, TAXATION, AND CLAIMS OF CREDITORS

The SGLI and VGLI proceeds and Accelerated Benefit payments are not assignable. Payments of any SGLI or VGLI benefits, including Accelerated Benefits, are exempt from taxation and are not subject to claims of creditors of the insured or creditors of the beneficiary, except certain claims of the United States.

1.12 LEGISLATIVE HISTORY

a. Public Law 89-214, effective September 29, 1965, established the Servicemens' Group Life Insurance (SGLI) program. The law provided \$10,000 of group life insurance for all active duty members of the Army, Navy, Air Force, Marine Corps, Coast Guard, and the Commissioned Corps of the PHS and NOAA.

b. Public Law 91-291, effective June 25, 1970, amended the original law by increasing the maximum amount of coverage for all members to \$15,000 and by extending eligibility for limited periods of coverage to additional members.

c. Public Law 92-315, effective June 20, 1972, extended coverage to cadets or midshipmen of the United States Military Academy, United States Naval Academy, United States Air Force Academy and the United States Coast Guard Academy.

d. Public Law 93-289, effective May 24, 1974, increased the maximum amount of coverage for all members to \$20,000 and extended full-time SGLI coverage to members of the Ready Reserves and Retired Reserves. The new law also provided for the conversion of SGLI to a 5-year nonrenewable term policy called Veterans' Group Life Insurance (VGLI).

e. Public Law 97-66, effective December 1, 1981, increased the maximum amount of insurance under both the SGLI and VGLI programs to \$35,000.

f. Public Law 99-166, effective January 1, 1986, increased the maximum amount of coverage for all members to \$50,000 and extended VGLI coverage to members of the IRR and Inactive National Guard (ING).

g. Public Law 102-25, effective April 6, 1991, increased the maximum amount of insurance for all members to \$100,000, with lesser amounts available in increments of \$10,000.

h. Public Law 102-568, effective December 1, 1992, increased the maximum SGLI and VGLI available to \$200,000. Basic coverage remained at \$100,000 and an additional \$100,000 of supplemental coverage was made available to members of the uniformed services upon application. The new law also provided that VGLI in effect on or after December 1, 1992, is renewable. (See Chapter 8.)

i. Public Law 104-106, effective April 1, 1996, increased the amount of basic coverage to \$200,000. Members were automatically insured for \$200,000 and had to elect in writing to decline or reduce their coverage to less than \$200,000. The law also granted to Secretaries of the military service departments the authority to terminate SGLI coverage when premiums are not paid.

j. Public Law 104-275, effective January 6, 1997, merged Retired Reservists SGLI into the VGLI program and extended VGLI to members of the Ready Reserves. The amendment also provided that members can convert their SGLI directly to a commercial policy of insurance and may convert VGLI to a commercial policy at any time rather than only at the end of 5-year periods. The new law also renamed the SGLI program to Servicemembers' Group Life Insurance and included a provision that requires representatives of the

military services to provide general information regarding insurance and SGLI and VGLI to its members.

k. Public Law 105-368, effective February 9, 1999, established an Accelerated Benefit option for terminally-ill SGLI and VGLI insureds. Under this option, a terminally-ill member may receive in a lump-sum payment a portion of the face value of the insurance as an accelerated death benefit.

CHAPTER 2. TERMINATION OF INSURANCE

2.01 TERMINATION OF INSURANCE

a. Full-time SGLI coverage for members on active duty or active duty for training and members of the Ready Reserve will terminate:

(1) The 120th day after separation or release from duty, or separation or release from from assignment to a unit or position of the Ready Reserve;

(2) For members who are totally disabled on the date of separation or release, at the end of the last day of one year following separation or release or at the end of the day on which the insured ceases to be totally disabled, whichever is earlier, but in no event earlier than 120 days following separation or release from such duty;

(3) At the end of the 31st day of a continuous period of:

(a) Absence without leave;

(b) Confinement by military authorities under a court-martial sentence involving total forfeiture of pay and allowances; or

(c) Confinement by civilian authorities under sentence adjudged by a civilian court. Note: Any insurance terminated as the result of the absence or confinement, together with any beneficiary designation in effect at the time the insurance was terminated, will be automatically restored as of the date the member returns to duty with pay. (See chapter 4.)

(4) The last day of the month in which the member files with the uniformed service, written notice of an election not to be insured. The member may become insured again upon written request through the uniformed service as provided in paragraph 4.02.

b. Part-time coverage terminates as follows:

(1) Part-time coverage is in effect only on the days of active duty or active duty for training, and the hours of inactive duty training, including period of travel to and from duty. A temporary termination of coverage occurs at the end of each such period of duty, including travel time, and coverage is resumed at the commencement of the next period of covered duty or travel.

(2) When part-time coverage is extended for 120 days as the result of a disability, the extended coverage terminates at the end of the 120th day following the Reservist active or inactive period during which the disability was incurred or aggravated.

(3) Unless extended for 120 days because of disability as referred to above, eligibility for part-time coverage terminates at the end of the last day of the member's obligation to perform such duty.

(4) If a member files with the uniformed service a written notice of an election not to be insured, coverage terminates on the last day of the period of active duty or active duty for training, or at the end of the period of inactive duty training, including travel time while returning from such duty during which the election is filed. If the election is filed with a member's uniformed service other than during a period of active duty, active duty for training, or inactive duty the coverage is terminated immediately.

c. Full-time and part-time coverage terminates:

(1) At the end of the day before rights to the insurance are forfeited as described in paragraph 1.10; or

(2) At the end of the day before the termination of the group policy.
NOTE: See paragraph 1.08 to determine when elections, designations, and periods of duty or obligations to perform duty are continuous and when not continuous.

CHAPTER 3. REDUCTION OR CANCELLATION OF INSURANCE

3.01 FULL-TIME INSURANCE

- a. Members reporting for duty in one of the uniformed services who do not want to be insured or who prefer less than \$200,000 maximum coverage must complete and file a form SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate, with their uniformed service. (See appendix A)
- b. Insured members who desire a lesser amount of insurance coverage or no insurance must request a change by completing a new form SGLV 8286 and filing it with the uniformed service. Requests for reduced coverage or no coverage made prior to any legislated increase in coverage have no effect under the new law.
- c. A reduction or cancellation of insurance coverage is effective at midnight of the last day of the month in which the form is received by the uniformed service.
- d. Whenever a member re-enters active duty, the member is covered for the full amount of insurance and any prior waiver or reduction of insurance coverage does not apply.
- e. If, on the first day of duty, a member elects not to be insured or elects less than the maximum coverage, that election is effective immediately. If the election is made after the first day of duty, the election is effective at midnight of the last day of the month in which the form is received by the uniformed service.
- f. If a terminally-ill member requests and receives an Accelerated Death Benefit, the face value of the member's insurance is reduced by the amount of the Accelerated Benefit paid to the member. The reduction is effective upon the date on which the member cashes or deposits the Accelerated Death payment.

3.02 PART-TIME COVERAGE

A member eligible for part-time coverage may elect not to be covered or request a reduced amount of coverage over his or her written signature. Form SGLV 8286 should be used for this purpose. When the form is complete, it should be filed with the appropriate uniformed service. The election or reduction will be effective as follows:

- a. At the end of the last day of the period of duty then being performed, if the member is on active duty or active duty for training when the waiver or reduction is filed;
- b. At the end of the period of inactive duty training then being performed, if the member is on inactive duty training when the waiver or reduction is filed;
or

c. On the date the waiver or reduction is received by the uniformed service, if the member is not on active duty, active duty for training or inactive duty training on the date the waiver or reduction is filed.

3.03 ACTION BY UNIFORMED SERVICE

a. Authorized representatives of the uniformed services must sign and date, in the appropriate blocks, properly completed forms SGLV 8286 when received. The date the form is received should be accurately recorded as it determines the reduction or cancellation date of the insurance.

b. The completed form SGLV 8286 serves as the basis for payroll deductions or authorizing collections in a reduced amount or none at all.

c. The authorized representatives will distribute various copies of the form SGLV 8286 according to the instructions provided on the form. Note: Do not send the completed form to any VA office or the OSGLI. See instructions attached to form SGLV 8286.

CHAPTER 4. RESTORATION AND REQUEST FOR COVERAGE

4.01 AUTOMATIC RESTORATION

- a. Maximum coverage, previously declined or reduced, is automatically restored without evidence of good health when a member re-enters on duty (in the same or another uniformed service).
- b. The member's insurance coverage and beneficiary designation are automatically restored as of the date the member is restored to duty with pay, if coverage was terminated because of:
 - (1) Absence without leave;
 - (2) Confinement by civil authorities under a sentence adjudged by a civilian court; or
 - (3) Confinement by military authorities under a court-martial sentence involving total forfeiture of pay and allowances.

4.02 REQUEST FOR INSURANCE

- a. If a member elects to cancel or reduce SGLI coverage and later wants to obtain or increase his or her SGLI coverage, a written request must be made through that member's uniformed service. Application should be made on form SGLV 8285, Request for Insurance, in accordance with instructions attached to the form. (See appendix A)
- b. The form SGLV 8285 should be completed and signed by the member in the presence of an authorized representative of his or her uniformed service, who should then complete the certification below the member's signature. In accordance with the instructions on the form, if all medical questions are answered "NO" the form should be filed in the members' personnel file and action initiated to withhold premium payments effective the date the form is received by the branch of service.
- c. If any of the medical questions are answered "YES" the form should be sent to the OSGLI for review and decision. Premium deductions should not be made until the decision is received from the OSGLI.
- d. Both the member and the uniformed service concerned will be advised of the acceptance or rejection of the application by the OSGLI.

CHAPTER 5. ACCELERATED BENEFITS OPTION

5.01 GENERAL

- a. The Accelerated Benefit Option permits terminally-ill policyholders under the SGLI and VGLI programs access to the death benefits of their policies before they die. The member may receive in a lump-sum payment a portion of the face value of the insurance.
- b. A member is eligible to receive an Accelerated Benefit if he or she has a valid written prognosis form a physician of 9 months or less to live.
- c. The amount of Accelerated Benefit available to a member is up to 50% of the face value of the member's insurance coverage. If a member elects less than the maximum, the amount requested must be in increments of \$5,000. The Accelerated Benefit paid to the member will be the amount requested, minus an interest deduction, which is the amount OSGLI actuarially determines to be the amount of interest lost due to early payment.
- d. The portion of the face value of insurance which is not paid in a lump sum as an accelerated benefit remains payable to the member's designated beneficiary(ies) upon his or her death. Monthly deductions for SGLI and premiums for VGLI shall be reduced in a manner consistent with the percentage reduction in the face value of the insurance as a result of payment of the Accelerated Benefit.
- e. Members insured under the SGLI program who elect an Accelerated Benefit and who thereafter convert their SGLI coverage to VGLI are eligible only for a reduced amount of VGLI coverage based on the amount of the Accelerated Benefit they received.
- f. The amount of the Accelerated Benefit received by the servicemember or veteran shall not be considered income or resources for purposes of determining eligibility for or the amount of benefits under any Federal or federally-assisted program or for any other purpose.

5.02 REQUEST FOR ACCELERATED BENEFITS

- a. Only the insured member may apply for an Accelerated Benefit. No one else can apply on the member's behalf.
- b. The application form entitled "Claim for Accelerated Benefits" is available by request by writing the **Office of Servicemembers' Group Life Insurance, 213 Washington Street, Newark, New Jersey 07102-2999** or calling the office toll-free at 1-800-219-1473. The application is also available for downloading from the internet at www.va.insurance.gov.
- c. The application contains one part to be completed by the insured and a second part to be completed by the insured's physician. In addition, the branch of service for active duty servicemembers must complete part of the form. The member must submit the completed application form to the Office of

Servicemembers' Group Life Insurance, 213 Washington Street, Newark, New Jersey 07102-299.

5.03 EFFECTIVE DATE

- a. The election to receive the Accelerated Benefit becomes effective at the time the member cashes or deposits the Accelerated Benefit.
- b. A member may cancel his or her request for benefits prior to cashing or depositing the Accelerated Benefit by informing OSGLI in writing of the request to cancel and by returning the check if the member has received it. If a member wants to change the amount of benefits requested or decides to reapply after canceling the request, he or she may file another application.
- c. If a member dies prior to cashing an Accelerated Benefit payment, the payment must be returned to OSGLI.
- d. Once an election becomes effective (by cashing or depositing the Accelerated Benefit payment), it can not be revoked. A member is not eligible for additional Accelerated Benefits.

CHAPTER 6. BENEFICIARIES

6.01 DESIGNATIONS OF BENEFICIARY (IES) - GENERAL

Any insured under SGLI may designate as principal beneficiary or contingent beneficiary any person, firm, corporation or legal entity (including the insured's estate), individually or as a trustee.

6.02 PREPARATION OF SGLV 8286

- a. Members covered under SGLI should complete form SGLV 8286 whenever they make a beneficiary designation or change a previous designation.
- b. The following are guidelines to be used in the preparation of the form:
 - (1) Members should be encouraged to name a specific beneficiary.
 - (2) If a member does not want to designate a specific beneficiary but prefers the proceeds to be paid in the order of precedence, the member should enter "By Law" in the appropriate space on the form.
 - (3) When designating a married woman as beneficiary, her own first and middle names, and her husband's last name should be shown.
 - (4) If a member designates more than one beneficiary, the member should specify in fractions, percentages, or monetary amounts the share to be paid to each; otherwise, they will share equally in the proceeds. A member may also designate a contingent beneficiary on form SGLV 8286. In making such a designation, the member must clearly identify each beneficiary as the principal or contingent, with the principal beneficiary always listed first. NOTE: A contingent beneficiary is a person or persons designated to receive the insurance proceeds if the principal beneficiaries die before the insured dies.

c. When completed and dated, the form SGLV 8286 must be submitted to the member's uniformed service because a beneficiary designation is not effective until it is received by the uniformed service. The uniformed service should immediately date and certify it as received. It should promptly be placed in the member's personnel file. Only the latest beneficiary designation in the member's personnel file will be considered valid.

d. SGLI and VGLI are federal programs and operate under federal law. Under federal law, the insured has the absolute right to name and change the beneficiary at any time without the knowledge or consent of a prior beneficiary. State divorce decrees, separation agreements or other state or municipal court documents are not binding on the determination of a beneficiary and cannot effectively change an insured's beneficiary designation.

NOTE: Do not forward SGLV 8286 to any VA office or the OSGLI.

6.03 UNCLEAR BENEFICIARY DESIGNATIONS

a. There are many instances when the member should clearly designate a specific beneficiary or beneficiaries to ensure that the proceeds are distributed to the persons or persons whom the insured intended to be the beneficiary(ies). Some examples are:

(1) When a member has a parent who has remarried but both natural parents are living; or

(2) When a member is divorced and remarried, but has children living with the first spouse; or

(3) When a member has no immediate next of kin and wants a distant relative or friend to receive the proceeds.

b. When a member is likely to be survived by dependents or parents and designates some other person or entity as beneficiary, a responsible representative of the uniformed service should advise the member to submit a signed memorandum indicating that the member understands the designation is unusual and that the person named by the member as the beneficiary is the person he or she intends to receive the proceeds.

c. Whenever there is any question or doubt as to a beneficiary, the uniformed service should encourage the member to complete form SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate, in order to clearly identify the person(s) to whom the proceeds of the insurance should be paid.

d. Under no circumstances should a member be compelled to designate any beneficiary other than one of his or her own choosing. The selection of a beneficiary is a matter of free election for the insured, and the insured should never be forced to designate otherwise. However, when dependents or parents are disregarded in designating beneficiaries, it is desirable that the voluntary nature of the designation be a matter of record.

6.04 DESIGNATIONS OF BENEFICIARIES WHO ARE MINORS

a. The law allows payment of SGLI to be made directly to a minor surviving spouse.

- b. If the beneficiary is a child, the insurance proceeds will be paid to the child's guardian.
- c. The appointment of a guardian is often time consuming and costly and, for that reason, may delay the payment of proceeds. The amount of the proceeds can be materially reduced by the payment of court costs, attorney fees and expenses incurred by the guardian. To avoid such complications and expense, a member may choose to consult with an attorney to designate a pre-appointed trustee of the minor beneficiary.

6.05 DESIGNATION CHANGE OR CANCELLATION

- a. An insured member may, at any time, change or cancel a previous designation. Consent of the beneficiary is not required for a member to change or cancel any prior designation.
- b. The following rules apply when the law governing SGLI is amended to increase the amount of insurance coverage. · An insured should submit a new beneficiary designation. If an insured was covered for the maximum amount under a prior law, the prior beneficiary designation and installment payment option filed by the member will be effective until changed and the proceeds will be distributed in the same proportionate amount as the portion designated for such beneficiary under the prior law.
- c. A beneficiary designation will remain in effect until properly changed by the member or automatically canceled. (See paragraph 6.07) Termination of one period of duty and reentry into another period of duty will not automatically cancel the designation unless there is a break in service. (See paragraph 1.02i for definition of break in service.)
- d. A designation change or cancellation will take effect only if it is in writing, signed by the insured and received prior to the date of death of the insured by the uniformed service.
- e. If such designation change or cancellation is made during a period of extended coverage following separation or release, such change will take effect only if received by the OSGLI prior to the insured's death.

6.06 BENEFICIARY (IES) NOT DESIGNATED

Members should be encouraged to name a specific beneficiary. If a member does not designate a beneficiary, the insurance will automatically be paid in the following order of precedence:

- a. The surviving spouse of the member; if none,
- b. The child or children of the member, in equal shares, with the share of any deceased children to be distributed among the descendants of that child; if none,
- c. The parents in equal shares or all to the surviving parent; if none,
- d. A duly appointed executor or administrator of the insured's estate; if none,
- e. Other next of kin. NOTE: An insured's biological parents are not always who the individual intended to receive the proceeds, and in cases such as

abandonment, they are not recognized as legal parents. Claim disputes involving the recognition of "rightful" parents can be avoided by discouraging the use of "By Law" designations and listing the parents by name.

6.07 AUTOMATIC TERMINATION OF BENEFICIARY DESIGNATION

A designation of beneficiary made by a member insured under SGLI for full-time or part-time coverage will automatically be canceled under the following rules:

- a. When the insurance terminates following separation or release from all duty or the obligation to perform duty in a uniformed service;
- b. When the member re-enters on duty or assumes an obligation to perform duty in another uniformed service; or
- c. When the member re-enters on duty in the same uniformed service more than one calendar day after separation or release from all duty in that uniformed service. NOTE: If a prior designation is terminated for any of the reasons shown above and the member wants the insurance proceeds paid to a designated beneficiary, a completed new form SGLV 8286 must be submitted to the member's uniformed service.

CHAPTER 7. ELECTION OF METHOD FOR PAYMENT OF PROCEEDS

7.01 GENERAL

- a. An insured member may elect that the proceeds of SGLI be paid to the beneficiary in a lump-sum payment or in 36 equal monthly installments. If the insured member elects a lump-sum payment, the beneficiary(ies) will receive the funds through an Alliance Account and will receive a checkbook for an interest bearing account from which they can write a check for the amount of \$250 or more.
- b. An insured may change the method of settlement at any time without the consent of the beneficiary.
- c. If the insured elects a lump-sum payment or makes no election, the beneficiary may choose either the lump-sum settlement or payment in 36 monthly installments.
- d. If the insured elects 36 monthly installments, the beneficiary may not elect a lump sum settlement.

7.02 ELECTION OR CHANGE OF METHOD OF PAYMENT

- a. Insured members should use form SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate, to elect a method of payment or to change a previous election. The member should indicate the option selected in the appropriate column on the form; i.e., either 36 months or lump sum. NOTE: If the election is for a reduced amount of insurance, the member should complete the entire form.
- b. The form SGLV 8286 when completed, signed and dated should be submitted to the uniformed service concerned.
- c. If the election or change is being made during the period the insurance remains in force following separation or release from duty, the form should be sent to the OSGLI.

7.03 EFFECTIVE DATE OF ELECTION OR CHANGE

An election or change is effective the date the form SGLV 8286 is received in the uniformed service concerned or the date such a change is received at the OSGLI, whichever is applicable.

CHAPTER 8. DEATH CLAIMS

8.01 GENERAL

- a. All claims for death benefits for any member who dies while insured under SGLI must be submitted to the OSGLI, 213 Washington Street, Newark, NJ 07102-2999.
- b. Upon receipt by the OSGLI of proof that an insured member has died, OSGLI will pay to the proper beneficiary the amount for which the member is insured under the group policy. The form SGLV 8283, Claim for Death Benefits (see Appendix A) is provided for the purpose of claiming the proceeds. Payment will be made to the member's designated beneficiary surviving at the time of the member's death; or if no beneficiary was designated, the proceeds will be paid in order of precedence as provided by law. (See paragraph 6.06 for the order of precedence.)
- c. Under no circumstances can more than \$200,000 group life insurance (plus interest) be paid in settlement of a death claim. This is emphasized for the situation when a member reenters on active duty, active duty for training or inactive duty training during a period of coverage following an earlier period of such duty.
- d. Any determination as to eligibility of a claimant as beneficiary or any request for evidence required in support of a claim will be made by the OSGLI. This office must also receive proof that a claimant is entitled to payment. If, for example, the payment in the order of precedence is made to parents and one parent is deceased, a certified copy of the death certificate for the deceased parent should be furnished. NOTE: If form SGLV 8283 was not furnished to the beneficiary, one may be obtained from the OSGLI, or any VA office. If the beneficiary has no tangible evidence of SGLI coverage, see paragraph 8.05.

8.02 PROOF OF DEATH AND VERIFICATION OF INSURANCE IN FORCE

When a claim is filed for insurance, proof of death and verification of the amount of insurance in force will be established by one of the following types of evidence:

- a. If death of a member occurs while on active duty, active duty for training, inactive duty training or in an active duty status as a Ready Reservist, DD Form 1300, Report of Casualty, or its equivalent, will be issued by the deceased member's uniformed service and sent directly to the OSGLI. The beneficiary need not supply proof of death.
- b. If a member insured under full-time coverage dies within the period the insurance remains in force following termination of duty, a certified copy of the death certificate and a copy of DD 214, Certificate of Release or Discharge from Active Duty, or Form NGB 22, Certificate of Release from the National Guard must accompany the form SGLV 8283 and be submitted to the OSGLI.

c. If an insured under part-time coverage dies within the 120-day period following a period of duty during which a disability was incurred or aggravated, a certified copy of the death certificate and a statement from the attending physician concerning the disability and period of duty must be sent with the form SGLV 8283 to the OSGLI.

8.03 PREPARATION OF SGLV 8283

a. In filing a claim for the insurance proceeds, form SGLV 8283 must be completed by the designated beneficiary or, in the absence of such designation, by the primary beneficiary as listed in the order of precedence. (See paragraph 6.06 for the order of precedence.)

b. Information (printed or typed) should be furnished on the form SGLV 8283 as explained on the form. All claimants must complete items 1 through 4, and numbers 5 and 6, if known.

(1) A claimant who is the designated beneficiary need complete only items 7, 8, 9 and 10 of part I and all of part IV.

(2) If a spouse was not designated as beneficiary and no other beneficiary was designated, the surviving spouse should complete all items of parts I and IV.

(3) Other claimants should complete items 7, 8, 9, and 10 of part I and all of parts II, III and IV.

c. It is essential that all requested information be furnished. The omission of answers or incomplete answers or the failure to furnish the necessary or requested information may delay settlement of the claim. NOTE: VA has no authority to seek the appointment of a fiduciary (trustee or trusteeship) for SGLI purposes. It is important to remember that any settlement of claims is strictly a matter between the person filing the claim and the OSGLI.

8.04 CONTACTING THE BENEFICIARY WHEN DEATH OCCURS

a. When an insured member dies, the uniformed service will examine the member's personnel file to learn if a beneficiary for SGLI has been designated by the insured. If no designation was made, the uniformed service representative should carefully review the file to learn the next of kin or survivor as shown in the official record and determine if such person would qualify as the eligible beneficiary according to the order of precedence.

b. If the insured has not designated a beneficiary and the person(s) listed in the official records is for some obvious reason not eligible, or there is some doubt concerning that person's eligibility as beneficiary or next of kin, the uniformed service should:

(1) Complete the DD Form 1300 or an equivalent form and make the notation that no form SGLV 8283 was furnished.

(2) If there is no record of form SGLV 8286, list the name and address of the next of kin as shown on DD Form 1300, or equivalent form, and forward the report to the OSGLI. When there is some uncertainty or

unusual circumstances involved, a statement of the pertinent facts should be attached.

8.05 WHEN SURVIVOR HAS NO PROOF OF SGLI COVERAGE

- a. Occasionally a beneficiary or survivor will ask a uniformed service or a VA office for assistance in filing a death claim and will not have a DD Form 214 as tangible evidence of insurance coverage.
- b. If the uniformed service is asked to assist, the service should inform the OSGLI of the amount of insurance and the last named beneficiary or next of kin of record including any other elections by the insured. If the insurance is in force and there is no doubt regarding the beneficiary, form SGLV 8283 should be provided to the beneficiary for completion and submission to the OSGLI. (See paragraph 7.04b if the beneficiary cannot be determined.)
- c. When VA is asked to assist in filing a death claim and the survivor has no evidence of the group insurance, VA will assist the survivor in completing the form SGLV 8283. The claim form and copy of the death certificate will be forwarded to the OSGLI by VA with a letter explaining the circumstances involved, including any other pertinent facts supplied by the survivor, or from VA files which will be helpful to the OSGLI in verifying the deceased member's insurance.

8.06 PAYMENT OF PROCEEDS

- a. If a principal beneficiary, otherwise entitled to payment of the insurance proceeds, does not make a claim for the proceeds within 1 year following the death of the insured, or if payment to such person within that period is prohibited by Federal law or regulation, payment may be made to the contingent beneficiary or in the order of precedence as set forth in paragraph 5.06 as if the person had died before the insured. Any such payment shall bar recovery by any other person.
- b. If, within 2 years after the death of the member, no claim has been made by any person entitled, and neither VA nor the OSGLI has received any notice that such a claim will be made, payment may be made to any claimant that may be equitably entitled to the proceeds as determined by VA; and such payment will be a bar to recovery by another person.
- c. If the proceeds are to be paid in a lump-sum payment, the beneficiary will receive the insurance proceeds through an Alliance Account. The Alliance Account is an interest bearing checking account from which the beneficiary can write a check for any amount of \$250 or more. The amount of interest earned is at a competitive rate and is guaranteed by Prudential. Through the Alliance Account, the beneficiary has immediate access to any or all of their money.
- d. If the proceeds are to be paid in installments, the first installment will be payable as of the date of death. The amount of each installment will be computed so as to include interest on the unpaid balance at the then effective rate.
- e. If the insured designated that proceeds are to be paid in 36 equal installments to the principal beneficiary and that beneficiary dies before the

full 36 installments have been paid, the remaining installments will be paid to the contingent beneficiary as the installments become due. If the contingent beneficiary dies before receiving all installments, or if there is no contingent beneficiary and the principal beneficiary dies before receiving all the installments, the unpaid installments, less the interest which would have accrued, will be paid in one sum to the estate of the beneficiary last receiving payment (principal or contingent). NOTE: The address of the Casualty Office for each branch of service is provided in Appendix B.

CHAPTER 9. BENEFICIARY FINANCIAL COUNSELING SERVICES (BFCS)

9.01 GENERAL

- a. All beneficiaries of SGLI or VGLI proceeds are eligible to receive Beneficiary Financial Counseling Services provided through Ernst & Young. Under this benefit, beneficiaries receive free, personalized, objective financial advice if they choose to take advantage of the service.
- b. A financial counselor will meet face-to-face with the beneficiary within weeks of the insured's death. The counselor will provide to the beneficiary a detailed personalized financial plan and toll-free access to additional financial counseling for one year, as well as additional financial counseling resources.
- c. Beneficiary Financial Counseling is provided at no extra cost to the insured (i.e. premiums will not increase) or the beneficiary. In addition, Ernst & Young will not sell any products to the beneficiary and counselors receive no commission for their services.
- d. Upon the death of the insured, the Office of Servicemembers' Group Life Insurance will provide information to the beneficiary on how to contact Ernst & Young to take advantage of this benefit. Once the insured's claim has been settled, the beneficiary can call Ernst & Young to arrange a meeting with a financial counselor.

CHAPTER 10. VETERANS' GROUP LIFE INSURANCE

10.01. GENERAL

a. Veterans' Group Life Insurance (VGLI) is a program of post-separation insurance which provides for the conversion of SGLI to 5-year renewable term coverage. VGLI provides up to a maximum of \$200,000 of insurance coverage.

b. Persons insured in the VGLI program, like SGLI, are insured under the provisions of a group life insurance policy purchased from a commercial life insurance company by VA. The program is administered by the OSGLI (see paragraph 1.01b for address) and is supervised by VA.

c. The group coverage does not contain any restriction on or require any additional premium for military service. It provides for life insurance but not disability or other supplementary benefits. VGLI has no cash, loan, paid-up or extended insurance values and does not pay dividends.

d. At the end of each term period, the insured has the right to renew coverage for another 5-year period. A member may convert such insurance to an individual policy with any one of the participating companies at any time.

e. VGLI is issued in \$10,000 increments up to a maximum of \$200,000, but not for more than the amount of SGLI the member had in force at the time of separation. If an individual declines VGLI or elects for an amount less than the amount of SGLI held while on duty, he or she may later apply for VGLI or for an increase in coverage up to the amount of SGLI held, without evidence of good health, if application is made to the OSGLI within 120 days of release from active duty. Application for insurance or an increase in the amount of coverage may also be made for up to one year from the end of the 120-day SGLI extension, however, evidence of good health may be required.

f. Individuals who separate from active duty, re-enlist, and effect other changes in their duty status, will become eligible for both SGLI and VGLI coverage and in some cases will become insured under both programs. An individual can be insured under both programs at the same time, provided the coverage does not exceed \$200,000, the maximum allowed under the law. Listed below are several situations where double coverage may occur and what the member must do to avoid it.

(1) If a member currently insured under VGLI, reenters on active duty or active duty for training, he or she is automatically covered under SGLI. Members who desire to keep VGLI must contact their unit and decline SGLI on form SGLV 8286 (see appendix A).

(2) Members insured under VGLI may stop payment of VGLI premiums and elect to be covered under SGLI. These members are entitled to reapply for VGLI upon release or separation, provided their duty was performed under a call or order specifying a period of duty 31 days or longer. If the period of duty is less than 31 days, the member is not eligible to apply for a new VGLI period. However, the member can apply to have his or her VGLI reinstated as outlined in paragraph 10.11.

(3) Individuals who have VGLI and elect to become insured again under SGLI upon entering a new period of duty may convert any or all of their VGLI to a commercial policy within 60 days after becoming insured under the SGLI program. If a person dies within the 60-day period and before converting, VGLI will be payable in an amount which, when added to the SGLI, does not exceed the maximum coverage allowed under the law.

10.02 PERSONS ELIGIBLE TO BE INSURED

Persons eligible to be insured in the VGLI program are:

- a. SGLI insureds who are being released from active duty or active duty for training under a call or order to duty that does not specify a period of less than 31 days;
- b. Members of the Ready Reserves insured under SGLI who are separated, retired, or released from assignment.
- c. Individuals who are assigned to the IRR of a branch of service or to the Inactive National Guard (ING). This includes members of the United States Public Health Service Inactive Reserve Corps (IRC). The individual must be able to provide orders showing that he or she is currently assigned to the IRR or ING; or
- d. Members who have part-time SGLI and who, while performing duty, suffer an injury or disability which renders them uninsurable at standard premium rates. This includes travel directly to and from duty. NOTE: Members who join the Ready Reserves after release from active duty are eligible to continue their SGLI coverage for as long as they remain in the Ready Reserves. They are eligible to convert their active duty SGLI coverage to VGLI coverage. As noted in paragraph 10.01(f), "an individual can be insured under both programs, at the same time, provided the combined coverage does not exceed \$200,000." (In most instances, these individuals will probably choose to carry the SGLI coverage since it costs less than VGLI coverage.)

10.03 TIME ALLOWED TO APPLY FOR VGLI

- a. Members with full-time SGLI coverage.

Members who have full-time SGLI coverage will be contacted by the OSGLI, usually within 45-60 days following release or separation from duty. The OSGLI will send the veteran a computer-printed application for VGLI showing the necessary service data with information about continuing group coverage under the VGLI program. A member who wishes to purchase VGLI and who does not receive this information may obtain a non-computer printed form SGLV 8714, Application for VGLI, from any VA office or by writing to the OSGLI.

(1) Within 120 days after separation, an individual should submit an application with the required premium to the OSGLI. If the computer form is not used, form SGLV 8714 should be submitted. If the non-computer form is used, it must be accompanied by a copy of DD Form 214, or other equivalent proof of service.

(2) If the veteran does not submit the premium and application within 120 days, the veteran may be granted VGLI provided form SGLV 8714 (see Appendix A), initial premiums, proof of service or assignment and proof of good health are submitted within 1 year after the veteran's SGLI coverage is terminated (that is, one year after the end of the 120 day period).

(3) If the veteran is totally disabled on the date of separation from service, coverage under the SGLI group policy may continue without charge for 1 year after the separation date or until the insured ceases to be totally disabled, whichever is the earlier date. The member must apply to OSGLI for this extension. The member may also apply for VGLI anytime during this 1-year period that SGLI remains in effect.

(4) If a totally disabled veteran does not apply for VGLI within the 1-year period that SGLI is extended after the separation date, the coverage may still be granted provided form SGLV 8714, evidence of insurability and the initial premium are submitted within 1 year from after the member's SGLI coverage is terminated.

(5) Total disability is defined as any one of the following:

(a) Any impairment of mind or body which continuously renders it impossible for the insured to follow any substantially gainful occupation;

(b) The permanent loss or loss of use of both feet, or both hands, or both eyes, or one foot and one hand, or one hand and one eye;

(c) The total loss of hearing in both ears;

(d) The organic loss of speech. Organic loss of speech means the physiological loss of the ability to express oneself (both voice and whisper) through the normal organs of speech. When such loss exists, the fact that some speech can be produced through the use of an artificial appliance will be disregarded.

(6) A member is eligible to apply for an extension based on total disability even if he or she has not received a total disability rating from a VA regional office. NOTE: Members having any of the disabilities listed under subparagraphs 10.03a(5)(b),(c) and (d) above, are considered totally disabled regardless of employment. Members having other disabilities are considered totally disabled only when the disability would prevent the member from engaging in substantially gainful employment. If the member is able to engage in such employment, whether he or she does so or not, the member is no longer totally disabled. Members having the types of disabilities which do not prevent employment, or which are likely to improve so that employment is possible, should not postpone exercising their right to obtain VGLI.

b. Members with part-time SGLI coverage

(1) Members with part-time SGLI coverage do not have the privilege of continuing group coverage under VGLI, unless SGLI is continued in force after the period of duty terminates as a result of disability incurred or aggravated during such duty.

(2) If a member believes that he or she qualifies for VGLI coverage and such coverage is desired, the member should write to the OSGLI well before the end of the 120-day eligibility period. That office will furnish the necessary information on how to obtain VGLI coverage.

c. IRR and ING members

(1) Members of the IRR and ING have one year and 120 days from the date they become members of these organizations to apply for VGLI.

(2) Individuals applying within 120 days of becoming a member of either organization should submit a completed form SGLV 8714, Application for Veterans' Group Life Insurance, the initial premium and orders evidencing membership in the IRR and ING to the OSGLI.

(3) If an application and initial premium are not submitted within 120 days of becoming a member of either organization, VGLI may still be granted provided a completed form SGLV 8714, the initial premium, proof of membership and evidence of insurability are submitted to the OSGLI within one year of the expiration of the 120-day period.

10.04 EFFECTIVE DATE

a. For members who have full-time SGLI coverage, the effective date for VGLI will be:

(1) The 121st day after such separation or release provided the initial premium is mailed or otherwise delivered to the OSGLI on or before the 120th day after separation or release;

(2) The day following the end of the 1-year period, if the member is totally disabled on the date of separation, or the day following the date that total disability ends, whichever is earlier, but in no event will VGLI become effective prior to the 121st day after separation. An acceptable application and the initial premium must be received in OSGLI prior to the end of the 1-year period following separation.

(3) The date an acceptable application and premium is received at the OSGLI within 1 year following termination of SGLI. (See paragraph 10.03.)

b. For members who have part-time SGLI coverage and during such period of duty suffer an injury or disability which renders them uninsurable at standard premium rates, VGLI coverage will be effective the 121st day after such separation or release. The initial premium and proof of disability must be submitted before the 121st day after such release or separation.

c. For individuals entering the IRR or ING, the effective date will be the date an acceptable application and premium are received in the OSGLI. The

application and premium must be received within a year and 120 days after their entry into this status.

10.05 PAYMENT OF PREMIUMS

- a. Premium payments for VGLI may be made directly to the OSGLI by direct remittance or by allotment from military retirement pay, or as a Deduction From VA Disability Compensation Benefits (DFB).
- b. The first premium must be sent directly with the application to the OSGLI even if the applicant desires to pay by allotment or by DFB. Upon approval of the application, subsequent premiums will be due monthly commencing the month after the insurance becomes effective or on the last day of the following month if that month does not have a date corresponding to the effective date.
- c. An individual may pay VGLI premiums in advance. Members who pay their premiums annually receive a discount.
- d. Upon approval of the application, the OSGLI will send each insured a certificate of coverage. Individuals who have elected to pay directly will receive monthly premium payment coupons. (See Appendix C for the current VGLI Premium Rate Table.)

10.06 APPLICATION FOR VGLI WHEN A MEMBER IS INCOMPETENT

In the case of an incompetent member, the application for VGLI may be made by a guardian, committee, conservator or curator. In the absence of such a court-appointed representative, the application may be submitted by the member's spouse, mother, father, or anyone acting on his or her behalf. In such event, this person should state on the VGLI application the circumstances under which the application is submitted.

10.07 ACCELERATED BENEFITS OPTION

An Accelerated Benefits Option is available to all terminally-ill insureds under the VGLI program. The rules regarding the program are the same for both the SGLI and VGLI programs and are found in Chapter 5.

10.08 BENEFICIARIES AND METHOD OF PAYMENT OF INSURANCE PROCEEDS

- a. The rules regarding beneficiary designation, method of payment of insurance proceeds, and Beneficiary Financial Counseling for VGLI are the same as those for members insured in the SGLI program. (See chapter 6, chapter 7 and chapter 8).
- b. When SGLI is converted to VGLI following separation from service, a new beneficiary designation should be made. If the designation is made during a period of time when SGLI is still in effect, the applicant may elect to have the VGLI beneficiary designation become effective immediately to change the SGLI designation. If this election is not made, the VGLI designation will be effective on the first day of VGLI coverage. However, any designation of beneficiary or beneficiaries for SGLI filed with a uniformed service, until changed, will be considered a designation of beneficiary or beneficiaries for VGLI but not for more than 60 days after the effective date of the insured's

VGLI, unless at the end of such 60-day period the insured is incompetent. If the insured is incompetent, such designation may continue in force until the disability is removed but not for more than 5 years after the effective date of the insured's VGLI. If the insured did not designate a beneficiary for VGLI and death occurs more than 60 days after the VGLI coverage is effective, the proceeds will be paid under the order of precedence in the law (See paragraph 6.06.)

c. To designate a beneficiary for an incompetent applicant, the individual completing the application must submit guardianship papers which authorize the individual to designate beneficiaries on insurance policies. Such a document must be current and in force.

10.09 CONVERSION TO AN INDIVIDUAL POLICY

a. SGLI coverage in force on the date of release or separation from duty or assignment to the Ready Reserves may be converted to an individual policy of life insurance with a commercial company that participates in the program. The conversion privilege must be exercised within the 120-day period following separation or release from duty or such assignment. If SGLI is converted to VGLI, this VGLI coverage can also be converted to a commercial policy that participates in the program at any time after the effective date of VGLI so long as VGLI premiums are paid up to the date of the conversion.

b. VGLI insurance in force can, at any time, be converted to an individual policy of life insurance with a commercial company that participates in the program.

c. OSGLI can provide information on how to convert VGLI coverage to an individual policy of life insurance with a list of participating companies. This information may be obtained by contacting the OSGLI.

d. The individual policy will be issued at the standard premium rate regardless of health. The policy can be written on any permanent plan offered by the company. It cannot be issued for an amount greater than the amount of VGLI. It will provide life insurance, but no disability or other supplemental benefits.

e. In the case of an incompetent member, the application for conversion may be made by his or her guardian, committee, conservator or curator. In the absence of such a court-appointed representative, the application may be submitted by the member's spouse, mother, father, or anyone acting on his or her behalf. In such event, this person should state on the conversion application the circumstances under which the application is submitted. The proceeds of such converted policy may be payable only to the member's spouse, children, mother or father, or any other person with an insurable interest.

10.10 DEATH CLAIMS

A death certificate must be furnished for all VGLI claims. All death claims for persons insured under the VGLI program must be made to the OSGLI. (See paragraph 10.11 for address.)

10.11 LAPSE AND REINSTATEMENT

a. VGLI coverage will lapse unless the premium is paid when due or within the grace period of 60 days.

b. If VGLI lapses for failure to pay timely premiums, the insured will receive notification of the lapse and a reinstatement application form. The insured may apply for reinstatement at any time within five years of the date of the unpaid premium. If the reinstatement application is submitted within six months of the date of lapse, the insured need only provide evidence that he or she is in the same state of health on the date of reinstatement as he or she was on the date of lapse. If the reinstatement application is submitted more than six months after the date of lapse, the insured must meet good health requirements. The completed reinstatement application should be submitted to:

Office of Servicemembers' Group Life Insurance
213 Washington Street
Newark, NJ 07102-2999

c. Coverage previously lapsed for non-payment of premiums must be reinstated as described in subparagraph 10.11b before renewal will be considered.

10.12 RENEWAL

a. An insured whose VGLI is in force at the end of a 5-year coverage period has the privilege of renewing this coverage for an additional 5-year period. If coverage has lapsed for non-payment of premiums, this coverage must be reinstated, in accordance with paragraph 8.10 above, before renewal will be considered.

b. Prior to the expiration of the current 5-year coverage period, the OSGLI will send the insured a renewal form to continue coverage. The premium rate for the new period will be based on the insured's age at the time of renewal and the rate schedule in effect at that time. The premium rate schedule is subject to change.

c. The maximum amount of coverage that may be renewed is limited to the amount of VGLI in force at the end of the current VGLI period. If the amount of VGLI has previously been reduced, the insured may, within 5 years of the reduction, reinstate the reduced amount of insurance and continue this coverage for the renewal period. The five year period for reinstatement applies even if it runs into a new term period. For example, if an individual reduced his or her coverage at the beginning of the third year of a term period, he or she may reinstate the reduced amount during the first two years of the next term period. Medical evidence of good health may be required for this reinstatement.

d. Individuals insured under VGLI who are members of the IRR or ING may renew their VGLI if:

(1) Their coverage is in force; and

(2) They are members of the IRR or ING at the time of renewal.

10.13 VGLI LEGISLATIVE HISTORY

a. The Veterans' Group Life Insurance (VGLI) program was created by Public Law 93-289, The Veterans Insurance Act of 1974. The law was enacted May 24, 1974, and was effective August 12, 1974. It allowed veterans, upon separation, to convert their SGLI to a 5-year nonrenewable term policy called VGLI.

b. Public Law 99-166 was enacted December 3, 1985, and became effective January 1, 1986. It extended VGLI coverage to members of the Individual Ready Reserve (IRR) and Inactive National Guard (ING). It also provided that, if individuals remained in the IRR or ING through the 5-year period, they were entitled to renew their VGLI for additional 5-year periods. There is no limit on the number of times they may renew provided they remain in the IRR or ING. At the end of the term period, these insureds have the right to convert their insurance to a permanent plan life insurance policy with one of the companies that participate in the program rather than renewing it.

c. Public Law 102-568, effective December 1, 1992 provided that VGLI in effect on or after the effective date of the law will be renewable for additional 5-year periods for all VGLI insureds.

d. Public Law 104-275, effective October 9, 1996, merged Retired Reservists SGLI into the VGLI program and extended VGLI coverage to members of the Ready Reserves who have SGLI coverage and who are released from a drilling assignment. It also provided that individuals with VGLI coverage may, at any time, convert their VGLI coverage to an individual commercial policy, rather than only at the end of a 5-year renewal period.

e. Public Law 105-368, effective February 9, 1999, established an Accelerated Benefit Option for terminally-ill SGLI and VGLI insureds. Under this option, a terminally-ill member may receive in a lump sum payment a portion of the face value of the insurance as an accelerated benefit.

CHAPTER 11. MISCELLANEOUS

11.01 ADMINISTRATIVE DECISIONS

a. Determinations by VA are conclusive under the policy with respect to the following:

- (1) The status of any person as a member as defined in chapter 1, or as a veteran and whether or not a person is insured for SGLI or VGLI at any point of time.
- (2) The fact and date of a member's separation or release from active duty or active duty for training.
- (3) The fact, date, and hours of a member's performance of inactive duty for training.
- (4) Whether a member eligible for part-time coverage suffered disability or death while on active duty, active duty for training or inactive duty training or while proceeding directly to or returning directly from such duty so as to be insured at death or for 120 days after the date of the termination of such duty.
- (5) The fact and dates with respect to a member's absence without leave; confinement by civil authorities under a sentence adjudged by a civil court; or confinement by military authorities under a court-martial sentence involving total forfeiture of pay and allowances.
- (6) The enforcement of the provisions as set forth in paragraph 1.10 with respect to any member or veteran.
- (7) Whether an individual is a member of or is eligible for assignment to the Individual Ready Reserve or the Inactive National Guard.

b. Questions involving the above as well as those involving coverage of classes of members and other questions concerning SGLI and VGLI are properly referred to: Assistant Director for Insurance (29) Department of Veterans Affairs Regional Office & Insurance Center P. O. Box 8079 Philadelphia, PA 19101

11.02 ADVISORY COUNCIL ON SERVICEMEMBERS' GROUP LIFE INSURANCE AND VETERANS' GROUP LIFE INSURANCE

- a. The law provides an Advisory Council consisting of the Secretary of the Treasury as Chairperson, the Secretary of Defense, the Secretary of Commerce, the Secretary of Health and Human Services, the Secretary of Transportation and the Director of the Office of Management and Budget as members.
- b. The Council meets at the call of the Secretary of Veterans Affairs once a year, or more often to review the SGLI and VGLI programs and to advise the Secretary on matters of policy concerning both programs.

CHAPTER 12. RECORDS AND FORMS

12.01 THE MAINTENANCE OF RECORDS

- a. Appropriate records showing the names and amount of insurance in force for those members who are insured in the SGLI program should be maintained by each uniformed service concerned and be available if required by the Secretary.
- b. The uniformed services should also retain all individual instructions, notifications and other declarations or elections submitted by its insured members and should make proper certifications as required. Particularly important are the elections by members to cancel or decline insurance. Such records are to be maintained in the member's personnel folder during his or her full period of duty, and should be retained in the records maintained by the uniformed service following the member's separation or release from duty.
- c. Once a claim has been filed with the OSGLI, the claims records will be retained by the OSGLI. The OSGLI will retain all records for those individuals who have VGLI coverage. This includes applications, records involving maintenance of the account and all claims records.

12.02 FORMS

- a. The uniformed service is expected to retain a sufficient quantity of insurance forms to meet anticipated unit needs. Although forms will be supplied without cost to units of the uniformed service, individual unit needs should be carefully estimated so the printing costs to the SGLI fund will not be excessive.
- b. Each uniformed service is expected to requisition enough forms to supply its units through regular distribution channels. VA will ship forms to a single distribution point in each uniformed service. The uniformed service, in turn, will be expected to distribute forms to individual personnel units. Requisitions through official channels may be made by the officer of the uniformed service who normally requisitions supplies for the service.
- c. Once the uniformed service has exhausted its supply of forms, each service can acquire additional forms through electronic generation. The new form SGLV 8286, issued April 1, 1996, has been approved for electronic generation and is available at the forms download page on this site. The form is approved for Local Reproduction Authorized (LRA) and is to be reproduced without alteration.
- d. VA will stock a minimum supply of forms for emergency replenishment.
Rescission: VA Handbook 29-75-1, Revised dated April 1994

APPENDIX A: SGLI AND VGLI FORMS

1. SGLV 8283, Claim for Death Benefits
2. SGLV 8285, Request of Insurance
3. SGLV 8286, Servicemembers' Group Life Insurance Election and Certificate
4. SGLV 8714, Application for Veterans' Group Life Insurance
5. SGLV 8721, Beneficiary Designation - Veterans' Group Life Insurance

6. Claim for Accelerated Benefits

APPENDIX B: ADDRESSES FOR BRANCH OF SERVICE CASUALTY OFFICES

Department of the Army CMDR/PERSCOM Attn: (TAPC-PEC) Room 920 2461 Eisenhower Avenue Alexandria, VA 22331-0481	U.S. Army Reserve COMMANDER-ARPERSCON ATTN: ARPC-PSP-R 9700 Page Boulevard St. Louis, MO 63132-5200
U.S. Air Force DEPARTMENT OF THE AIR FORCE ATTN: AFPC/DPWCS 550 C Street West, Suite 14 Randolph AFB, Texas, 78150-4716	U.S. Air Force Reserves HQ ARPC-DPAEC Entitlements & Casualty Branch 6760 East Ernington Place #1800 Denver, CO 80280-1800
U.S. Marine Corps Code MHP-10 Headquarters, U.S.M.C. 2 Navy Annex Washington, DC 20380	Commander Navy Personnel Command NPC - 621 5720 Integrity Drive Millington, TN 38055-6210
Commandant U.S. Coast Guard HQ (G-PS-5/TP41) 2100 2nd Street, SW Washington, DC 20593-0001	Public Health Service Attn: Division of Commissioned Personnel Parklawn Building 5600 Fishers Lane Rockville, MD 20857
NOAA Commissioned Personnel Center 11400 Rockville Pike, Room 108 Rockville, MD 20852	

APPENDIX C : PREMIUM RATE TABLES FOR VGLI

Veterans' Group Life Insurance Monthly Premium Rate Table

Amount	29 and under	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75 and over
\$200,000	\$16.00	\$24.00	\$32.00	\$48.00	\$84.00	\$130.00	\$176.00	\$225.00	\$300.00	\$450.00	\$900.00
\$190,000	\$15.20	\$22.80	\$30.40	\$45.60	\$79.80	\$123.50	\$167.20	\$213.75	\$285.00	\$427.50	\$855.00
\$180,000	\$14.40	\$21.60	\$28.80	\$43.20	\$75.60	\$117.00	\$158.40	\$202.50	\$270.00	\$405.00	\$810.00
\$170,000	\$13.60	\$20.40	\$27.20	\$40.80	\$71.40	\$110.50	\$149.60	\$191.25	\$255.00	\$382.50	\$765.00
\$160,000	\$12.80	\$19.20	\$25.60	\$38.40	\$67.20	\$104.00	\$140.80	\$180.00	\$240.00	\$360.00	\$720.00
\$150,000	\$12.00	\$18.00	\$24.00	\$36.00	\$63.00	\$97.50	\$132.00	\$168.75	\$225.00	\$337.50	\$675.00
\$140,000	\$11.20	\$16.80	\$22.40	\$33.60	\$58.80	\$91.00	\$123.20	\$157.50	\$210.00	\$315.00	\$630.00
\$130,000	\$10.40	\$15.60	\$20.80	\$31.20	\$54.60	\$84.50	\$114.40	\$146.25	\$195.00	\$292.50	\$585.00
\$120,000	\$9.60	\$14.40	\$19.20	\$28.80	\$50.40	\$78.00	\$105.60	\$135.00	\$180.00	\$270.00	\$540.00
\$110,000	\$8.80	\$13.20	\$17.60	\$26.40	\$46.20	\$71.50	\$96.80	\$123.75	\$165.00	\$247.50	\$495.00
\$100,000	\$8.00	\$12.00	\$16.00	\$24.00	\$42.00	\$65.00	\$88.00	\$112.50	\$150.00	\$225.00	\$450.00
\$90,000	\$7.20	\$10.80	\$14.40	\$21.60	\$37.80	\$58.50	\$79.20	\$101.25	\$135.00	\$202.50	\$405.00
\$80,000	\$6.40	\$9.60	\$12.80	\$19.20	\$33.60	\$52.00	\$70.40	\$90.00	\$120.00	\$180.00	\$360.00
\$70,000	\$5.60	\$8.40	\$11.20	\$16.80	\$29.40	\$45.50	\$61.60	\$78.75	\$105.00	\$157.50	\$315.00
\$60,000	\$4.80	\$7.20	\$9.60	\$14.40	\$25.20	\$39.00	\$52.80	\$67.50	\$90.00	\$135.00	\$270.00
\$50,000	\$4.00	\$6.00	\$8.00	\$12.00	\$21.00	\$32.50	\$44.00	\$56.25	\$75.00	\$112.50	\$225.00
\$40,000	\$3.20	\$4.80	\$6.40	\$9.60	\$16.80	\$26.00	\$35.20	\$45.00	\$60.00	\$90.00	\$180.00
\$30,000	\$2.40	\$3.60	\$4.80	\$7.20	\$12.60	\$19.50	\$26.40	\$33.75	\$45.00	\$67.50	\$135.00
\$20,000	\$1.60	\$2.40	\$3.20	\$4.80	\$8.40	\$13.00	\$17.60	\$22.50	\$30.00	\$45.00	\$90.00
\$10,000	\$.80	\$1.20	\$1.60	\$2.40	\$4.20	\$6.50	\$8.80	\$11.25	\$15.00	\$22.50	\$45.00

Email Us: Osgli.osgli@prudential.com
 Call Us Toll-free: 1-800-669-8477 (Life Insurance)

1-800-827-1000 (Other Benefits)